

Message Text

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54

ACTION COME-00

INFO OCT-01 ARA-16 ISO-00 EB-11 XMB-07 OPIC-12 TRSE-00

AID-20 CIAE-00 INR-10 NSAE-00 RSC-01 EUR-25 EA-11

DRC-01 /115 W

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R 251249 OCT 73

FM AMCONSUL RIO DE JANEIRO

TO ECSTATE WASHDC 9514

INFO MEMBASSY BRASILIA 4890

AMCONSUL SAO PAULO

LIMITED OFFICIAL USE RIO DE JANEIRO 3925

E.O. 11652: N/A

TAGS: BMEP, BR

SUBJECT: RAILWAY CARS FOR BRAZIL

REF: STATE 209056AND PREVIOUS

1. BID SPECIFICATIONS AI POUCHED COMMERCE BIC 267 (TRADE OPPORTUNITY DIVISION). SUGGEST MEPD CHECK TO SEE IF SPECIFICATIONS LODGED THERE.

2. INFORMATION SUPPLIED BY ACF ON FOREIGN FIRMS ONLY PARTIALLY CORRECT. APPEARS REDE LISTED ADDRESS NATIONAL STEEL CAR CORP. AS HAMILTON, U.S.A. AND GREGG CO. AS HEADQUARTERED NEW YORK. WHEN INFORMED ACTUAL LOCALE THESE FIRMS; REDE OFFICIAL STATED THEY DID NOT EXPECT RECEIVE BIDS FROM THESE FIRMS AS BID NOTICE SPECIFICALLY MENTIONED EXIM FINANCING. OFFICIAL ALSO STATED APPROXIMATELY FIFTEEN OTHER FOREIGN AND BRAZILIAN FIRMS WERE SENT SPECIFICATIONS. EXPLAINED THIS ACTION AS COURTESY ON PART OF REDE WHICH MAY BE UNDERSTANDABLE BRAZILIAN CONTEXT. FOR EXAMPLE, ONE BRAZILIAN FIRM, COMPANHIA MECANICA BRASILEIRA, FORWARDED ITS COPY OF SPECIFICATIONS TO PULLMAN-STANDARD IN EFFORT REPRESENT PULLMAN IN THIS TENDER. ANOTHER BRAZILIAN FIRM INVOLVED, FERRAGENS SANTOS,

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SENT FIRM PRESIDENT TAVARES TO U.S. FOR OCTOBER 23 INTERVIEW WITH PULLMAN. WE INFORMED TAVARES ALSO TOOK COPY SPECIFICATIONS WITH HIM.

3. PORTUGUESE LANGUAGE REQUIREMENTS CUSTOMARY GOB PRACTICE ON BIDS AND TENDERS ALTHOUGH FURNAS AND CESP HAVE, ON FEW OCCASIONS, ACCEPTED BIDS IN ENGLISH. U.S. FIRMS MUST BECOME AWARE BRAZIL NOW MAJOR MARKET AND CAN BE EXPECTED TO REQUEST FOREIGN SUPPLIERS USE NATIONAL LANGUAGE.

4. EARLY DELIVERY HOPPER CARS CALLED FOR AS RESULT OF DESIRE OF BRAZILIANS MOVE PCOMING AGRICULTURAL CROPS TO PORTS. BRAZILIANS LOST PART OF THIS YEAR'S SOYBEAN CROP FOR LACK OF TRANSPORT. CONGEN CONSIDERS TENDERS TO BE SERIOUS EFFORT ON PART GOB OBTAIN NEEDED TRANSPORT MATERIAL FROM ABROAD. IN DISCUSSION WITH CONGEN OFFICERS GEIPOT PRESIDENT INDICATED GROWTH IN ECONOMY HAS FAR OUTSTRIPPED PLAN TARGETS IN TRASPORT SECTOR REQUIRING INCREASED EFFORT KEEP ABREAST ACTUAL NEEDS, INCULDING DOUBLING RAILROAD CARRYING CAPACITY.

5. JAPANESE UNABLE FULFILL PREVIOUSLY PROMISED DELIVERY SCHEDULES AND MUCH LESS ABLE TO MEET BRAZILIAN REQUEST ADDITIONAL RAILROAD EQUIPMENT. CONSEQUENTLY, BRAZILIANS ACTIVELY SEEKING ALTERNATE SOURCES OF SUPPLY AND ARE FULLY AWARE EARLY DELIVERY DATES WILL BE DIFFICULT TO COMPLY WITH. CONGEN BELIEVES U.S. FIRMS SHOULD ACCEPT TENDERS AT FACE VALUE AND, IF AT ALL POSSIBLE, SEIZE OPPORTUNITY TO ENTER MARKET.

6. IN VIEW CONTINUING INTEREST BOTH ACF AND PULLMAN REQUEST INSTRUCTIONS ON SECOND APPROACH REDE FOR EXTENSION BID DEADLINE. DECONTROL JANUARY 31, 1974.
MILLER

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*** Current Handling Restrictions *** n/a

*** Current Classification *** LIMITED OFFICIAL USE

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 25 OCT 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: worrelsw
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973RIODE03925
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: n/a
Errors: n/a
Film Number: n/a
From: RIO DE JANEIRO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19731063/aaaajxwk.tel
Line Count: 98
Locator: TEXT ON-LINE
Office: ACTION COME
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 73 STATE 209056 AND PREVIOUS
Review Action: RELEASED, APPROVED
Review Authority: worrelsw
Review Comment: n/a
Review Content Flags: ANOMALY
Review Date: 26 JUL 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <26-Jul-2001 by smithrj>; APPROVED <09-Aug-2001 by worrelsw>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: <DBA CORRECTED> gwr 980311
Subject: RAILWAY CARS FOR BRAZIL
TAGS: BEXP, BR
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005